

GENERAL TERMS AND CONDITIONS OF SALE

All sales of products by Mondo S.p.A. ("Mondo") to the Purchaser (the "Purchaser") shall be governed by the following terms and conditions of sale unless otherwise agreed in writing between the parties.

1. Purchaser Orders

- 1.1. Purchaser orders shall be considered as binding only upon confirmation in writing by Mondo. Unless otherwise indicated in writing, Mondo's quotations shall be valid for a period of 30 (thirty) days from the date of their issuance.
- 1.2. These terms and conditions of sale substitute and supersede any other conditions of purchase whatsoever.

2. Payments

- 2.1. Unless otherwise provided under the offer or the sale proposal, Mondo will apply the following payment condition:
 - 1.a. all payments shall be executed at Mondo's domicile and performed by the Purchaser by wire transfer on the bank account provided in the footer of the confirmation order.
 - 1.b. All payments shall be performed in advance.

3. Payments delays and retention of title

- 3.1. Without prejudice to ask for compensation of the further damages, in the event the Purchaser fails to make or delays, in full or in part, the payment of any sum at the due date, Mondo shall be entitled, from the date of the missed payment and without need of formal notice, to charge the Purchaser of the interests on such sum from the due date for payment at the current interest rate provided under the Italian Legislative Decree n. 231/2002,.
- 3.2. The Purchaser shall not suspend or delay payments of the Mondo invoices also in case of claims and shall have no title to ask for reduction or discount of the sale price.
- 3.3. Payments shall be performed in compliance with the herein terms and conditions also for the case the Purchaser is unable to receive the supply in the terms agreed for any reason not attributable to Mondo. Such provision also covers those delays attributable to the carrier, also if appointed by Mondo.
- 3.4. The Purchaser is entitled to ask for damage compensation only upon issuance of the a court having jurisdiction final statement ascertaining the existence of flaws and defects and that they are directly, actually and exclusively attributable to Mondo.
- 3.5. The title of ownership on the products is expressly acknowledged as belonging to Mondo until the complete payment by the Purchaser of the balance of the agreed contract price and of the further costs incurred by Mondo, if any.

4. Delivery means

- 4.1. All products are delivered "Ex-works" under Incoterms 2010 at Mondo's premises in Alba, Fraz. Gallo (Italy) and therefore all shipment, insurance and unloading at destination costs are completely at charge and at risk of the Purchaser.
- 4.2. Upon written agreement, Mondo can take care and charge of the shipment and insurance burdens which will be charged in full to the Purchaser together with the sale invoice and shall be in any case paid by the Purchaser before the shipment. Even in such case, for the Contract purposes the "delivery" shall be anyway considered the moment when the products are delivered to the carrier or shipper, regardless to the appointing party. The shipment is always at the Purchaser's risk, regardless the delivery conditions, even if the relevant shipment is managed by Mondo which therefore shall not incur in any liabilities whatsoever for possible damage or shortage of the products after their delivery to the carrier or to the shipper. In any case, the custom duties, local taxes and any import and nationalization charges of the products as well as all the insurance, packaging, shipping and freight expenses shall be always at the Purchaser's charge.

5. Delivery time and storage costs

- 5.1. Time for delivery indicated by Mondo shall be intended as estimated and shall not be deemed mandatory or of essence. The Purchaser acknowledges and agrees that reasonable delays and shifts in delivery time by Mondo shall not represent a default or a breach by Mondo and so shall not give the Purchaser any right to ask for any kind of compensation or indemnity whatsoever. In any case, delays attributable to the carrier or shipper cannot be ascribed to Mondo even if the shipment was managed by the latter pursuant to an appointment by the Purchaser.

Mondo S.p.A.

Società Unipersonale

Società soggetta all'attività di direzione e coordinamento da parte della Mondofin S.p.A., c.f. 80086060011

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www.mondoworldwide.com

N. 917/Trib. d'Alba del Reg. d'Impresa di Cuneo C.C.I.A.A. CN 153600

Cap. Soc. € 7.747.500 i.v. - C.F. 05551980013

P.I. 02500880048 - N. Id. IT 02500880048

- 5.2. In the event the Purchaser, for any reason not attributable to Mondo, does not pick up the products within 30 (thirty) days from the indicated delivery date, Mondo will invoice the products, it being understood that from that date payment and warranty terms will run. The goods will be stored at Mondo warehouses, on the understanding that Mondo shall not be liable for any damage, shortage or deterioration of the stored products.
- 5.3. Should the Purchaser not pick up the products at the delivery date indicated in the order confirmation, Mondo will tolerate, without consequences for the Purchaser, a delay up to thirty (30) days from such delivery date; as from the thirty-first day after the expiry of that period and up to the effective date of pick up by the Purchaser, Mondo will charge and invoice the Purchaser the costs and expenses for the handling and storage, determined and agreed between the parties in the amount of 0,20 Euros/quintal for each day of delay until the sixtieth day and of 0,40 Euros/quintal for each day of delay from the sixty-first day onwards, amounts to be paid by the Purchaser in advance to the effective pick up or shipment. Failing that, Mondo shall be entitled to retain the products until the full payment of the above sums by the Purchaser which shall not terminate the sale contract, nor to ask for any kind of compensation or indemnity whatsoever, remaining also unaffected the Mondo right to accrue the handling and storage compensation as hereinabove provided.

6. Minimum quantity

The Purchaser acknowledges that acceptance and performance of small orders is subject, by reason of the Mondo manufacturing technologies, to the availability of stock or to the possibility to match multiple small orders within the manufacturing program to be intended in 60/90 days.

7. Tolerances and environmental and usage conditions

- 7.1. The Purchaser recognizes and acknowledges to consider and accept to tolerate possible shade differences on the reiteration of the same color. The Purchaser expressly acknowledges that does not represent a flaw or defect of the product: (i) discrepancies merely pertaining to the esthetic qualities of the product, included but not limited to, differences in color, shading, flecking, marblization, also if compared to any product sample, to printed illustration and/or to previous product batches purchased by the Purchaser or (ii) changes in color shading and luster reduction due to ordinary weathering and wear and tear, or concentrated wear and tear and/or luster reduction in pivoting and other higher stressed areas. Shall not represent a product flaw or defect those product alterations or modifications due to failures in complying with the prescriptions provided under the Mondo "User's Maintenance Manual" supplied to the Purchaser.
- 7.2. The labels of all Mondo products (sheets or plates) clearly state the production batch number. The Purchaser shall strictly lay and/or install the products without mixing different production batches and strictly maintain, during the unrolling of the sheets, the given direction. Mondo declines all liabilities related to the breach of the aforesaid provisions.
- 7.3. The Purchaser recognizes and acknowledges that tolerances and shade differences on color within a single production batch and amongst different production batches are admitted and shall be accepted. The batch number is clearly indicated on each product's original crates and/or skids. The Purchaser shall perform the orders for areas or floors. Mondo declines all liabilities related to the breach of the aforesaid provisions and for the commixture of different production batches.
- 7.4. Mondo declines and refuse any return of products already cut, laid down, glued and/or matched.
- 7.5. In order to preserve the products quality and features and prevent them from modifications and/or alterations until their usage, the products shall be stored by the Purchaser in their original crates and/or skids and under appropriate environmental conditions, namely in areas clean and free from dust and other contaminants and protected from direct sunlight, rain and/or water, in a dry and well ventilated location, with temperatures ranging between 5° C and 30°C. The lay down/installation of the product by the Purchaser shall be performed within and no later than 6 (six) months (*shelf life*) as of the manufacturing date of the production batch, it remaining so understood that in defect Mondo shall not be liable for any loss of quality as consequence of the natural decay of the product.
- ## **8. Checks and complaints**
- 8.1. The Purchaser undertakes to check the products purchased within and no later than 8 (eight) days from their receipt, under penalty of forfeiture. Complaints shall be in writing and notified to Mondo within and no later the aforesaid term. Even if timely complained, Mondo declines all liabilities related to defects or flaws concerning products already altered, transformed, tampered or already installed.

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- 8.2. In case of serious defects or flaws undetectable at the receipt and check time of the product by the Purchaser (so called “*vizi occulti*”), the complaint shall be notified in writing by the Purchaser within and no later than 8 (eight) days from the discover, under penalty of forfeiture. Upon ascertained their existence and that they are directly attributable to Mondo, the Purchaser shall have the sole remedy to obtain from Mondo the replacement of the faulty/defective part of the products, excluded any kind of compensation of further direct, indirect or consequential damages, both proprietary and non-proprietary, or indemnities whatsoever. It shall remain understood that also in case of replacement of the faulty/defective products under this article, the provisions set forth under art. 4 of the present terms and conditions of sale shall apply.
- 8.3. In any case, the above Mondo commitment to replace the faulty/defective part of the products is subject to the simultaneous occurrence of the following conditions: (i) the product has not yet been applied, used, laid down, cut, trimmed, glued and/or matched or anyway subjected to any other type of processing, manipulation or intervention; (ii) the product has not yet been subject to repair, alteration or manipulation attempts by third parties, unless authorized by Mondo in writing; (iii) that the Purchaser has complied with all environmental and storage conditions as provided under Mondo “*Storage and Installation Manual*” delivered to the Purchaser. In no case Mondo will be liable for alterations of the product caused, in whole or in part, by exposure of the product to the sun or to environmental moisture and temperature conditions unsuitable for the specific use/application for which the product is intended or to environmental conditions incomparable to the tolerances established by Mondo for the product, product misuse, improper or inappropriate handling of the product by those who run the lay down/installation, use or uses of the product other than those provided for, unsuitability of the laying surfaces or unfitness of the underlying/adjacent support structures, use of procedures and products improper for the lay down/installation or other than those specifically indicated by Mondo in the “*Storage and Installation Manual*” delivered to the Purchaser, propagation of harmful chemicals, use of procedures and/or use of cleaning/maintenance products defective and/or different from those expressly provided under the Mondo “*User’s Maintenance Manual*” delivered to the Purchaser.
- 8.4. In any case the replacement of the materials in accordance with the foregoing paragraph, Mondo will use any reasonable efforts to ensure that the material used for the replacement matches the characteristics of the type originally delivered, but will not be required and shall not ensure an exact match between the replaced material and the one used for the replacement.
- 8.5. Should the partial or full replacement of the defective product be unfeasible due to its unavailability, the Purchaser undertakes to cooperate in good faith with Mondo and to agree the replacement of the defective products with other products similar or comparable, remaining anyway excluded any right to compensation for further damages, direct, indirect or consequential both proprietary and non-proprietary, or to indemnities whatsoever.
- 8.6. Notwithstanding the above, articles 1495 and 1497 of the Italian Civil Code concerning the warranty on sale shall apply.

9. Warranties and limitation of liability

- 9.1. Warranties on Mondo products are only those provided under the Italian Law, and in particular under the article 1495 of the Italian Civil Code. Any and all representations, promises, warranties or statements, other than the possible Mondo conventional and limited warranty if actually granted, by Mondo employees, agents and/or representatives, dealers and/or distributors shall have no effect against Mondo. No representative, agent or employee of Mondo, or any other person including third parties such as dealers or distributors, is authorized to assume for or against Mondo any additional liability or responsibility except as those herein provided.
- 9.2. In no event Mondo shall be liable under any theory of liability against the Purchaser for loss of profits or revenues or for other direct, indirect or consequential damages (including, without limitation, damages for loss of sales and/or business opportunities, damages to properties, or other damages, loss or depending expenses resulting from the product usage) or for any image, non-proprietary or reputational damage. Notwithstanding the foregoing and except for the case of fraud or gross negligence, any liability of Mondo for damages against the Purchaser, its successors and assigns is limited and shall not be in any case higher than the purchase price of the product purchased by the Purchaser.

10. Termination clause

- 10.1. Without prejudice to the rights and remedies provided by law, Mondo reserves the right, through simple written notice to the Purchaser, to immediately terminate the sale contract and any other contract in force in

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case *i*) the Purchaser suspend or fail the payment, in full or in part, of any sum payable to Mondo for a supply in case of delay of more than 30 (thirty) days from the due date; *ii*) the Purchaser does not pick up the purchased products within and no later than 60 (sixty) days from the delivery date provided under the confirmation order; *iii*) on the occurrence of events, situations, facts or acts representing a risk of the Purchaser insolvency or a general decrease in the Purchaser's solvency guarantees.

10.2. An increase of the raw material prices higher to the 10% will give Mondo the right to immediately terminate the sale contract, with the sole duty of Mondo to give evidence to the Purchaser of such variation; in such case the Purchaser shall have the right to ask Mondo, within 10 (ten) days, to pursue in the sale contract accepting the higher price as indicated by Mondo.

11. Force Majeure

11.1. Mondo shall have the right to suspend the execution of its duties at any time such execution became difficult or extremely burdensome due to unforeseeable or not foreseeable events, such as strike (either at Mondo plants or its suppliers or subcontractors), lock-out, boycotts and labor disturbances, war (declared or not), civil war, act of terrorism, riot, revolutions, requisitions, embargo, energetic black-out, delay in delivery of raw materials, or in any case the contract execution is prevented as a result of government or regulatory measures involving restrictions or prohibitions on imports or exports.

11.2. Should the force majeure event last for a period exceeding 90 (ninety) days from its onset, either party shall have the right to terminate the sale contract with a prior written notice of 10 (ten) days.

12. Miscellaneous

12.1. Terms and the conditions provided under these general terms and conditions represent the entire and only agreement between the parties and substitute any other and previous agreement. Any amendment and/or change and/or integration to the present general terms and conditions shall only be applicable to the extent it has been explicitly approved by both parties and in written form, remaining anyway unaffected all the other articles not interested by the change and/or integration itself.

12.2. Should, for any reason whatsoever, some provisions of the present general terms and conditions be or become invalid or ineffective, or should they be declared so by a competent judge or by another competent authority having jurisdiction, on the basis of the applicable law, the parties will substitute such non valid provision(s) with new one(s) which must have, if possible, the same purpose as the non-valid provision(s) and which have to comply with the regulation in force.

13. Applicable Law and Exclusive Jurisdiction

13.1. These general terms and conditions and all the sale contracts with the Purchaser are construed and governed by the Italian law.

13.2. Any dispute which could arise from or in connection with the validity, interpretation, performance of the obligations, breaches, termination or enforcement of the contracts between the parties shall be finally settled by the Court of Turin (Italy), with express exclusion of further or concurrent courts.

14. Elected domicile

The parties declares to elect their respective domicile at the addresses indicated under the order and the confirmation order until the moment any variation is communicated in writing.

Place

date

The Purchaser
(*Stamp and signature*)

In compliance with and pursuant to articles 1340 and 1341 of the Italian Civil Code, the Purchaser declares to have read and to expressly approve the content of the provisions set forth under the following articles of the hereinabove general terms and conditions: 1 (Purchaser Orders), 3 (Payments delays and retention of title), 4 (Delivery means), 5 (Delivery time and storage costs) 7 (Tolerances and environmental and usage conditions), 8 (Checks and complaints), 9

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(Warranties and limitation of liability), 10 (Termination clause), 11 (Force Majeure), 13 (Applicable Law and Exclusive Jurisdiction), 14 (Elected domicile).

Place

date

The Purchaser
(Stamp and signature)

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